
OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

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Item Number: TBD

Proposed Legislative Hearing Process for FY 2010 Budget

In accordance with the City Charter, on Tuesday, April 14, 2009, the Mayor will release his FY 2010 Proposed Budget, and will present it to the City Council that same day consistent with the adopted FY 2010 Legislative Budget Calendar. The following morning, Mary Lewis, CFO, will provide additional detail on the Mayor's budget proposals to the members of the Budget and Finance Committee and respond to Committee questions. On Tuesday, April 28, 2009, the Office of the Independent Budget Analyst will release its "Review of the Mayor's FY 2010 Proposed Budget."

BUDGET HEARING SCHEDULE

The FY 2010 budget hearing process is scheduled to begin on Wednesday, April 29, with a presentation by the IBA on their preliminary review and analysis of the Mayor's proposal. These hearings will be noticed as Joint Budget and Finance Committee/City Council meetings to allow for participation of the entire City Council. The adopted Legislative Calendar includes the following dates and times for holding this year's hearings:

- Wednesday, April 29, 2PM and 6PM
- Thursday, April 30, 9AM and 2PM
- Wednesday, May 6, 9AM and 2PM
- Thursday, May 7, 9AM and 2PM

Two additional mornings, Friday, May 1, and Friday, May 8, have been identified on the Legislative Calendar for hearings should additional time be necessary.

FOCUS ON PRIORITY SERVICES

In order to maximize the hearing process and fully address the top priorities of the community and Council, we suggest focusing the majority of the hearing time on direct service delivery areas of the budget. This approach would tie directly to the citizens' service priorities as identified through "San Diego Speaks" community forums and surveys, as well as emphasize the Council's critical role in legislative oversight of the services and the programs that the City is able to provide to its residents through the annual budget. We recommend that the hearings begin with the IBA presenting their analysis and findings with respect to the Mayor's budget proposal from a global perspective. This would be followed by scheduled hearings for those budget areas with significant service impacts to the community as noted below:

Key Service Areas

Police
Fire-Rescue
Park and Recreation
Library
Neighborhood Code Compliance
Streets
Storm Water
Planning
Development Services
Solid Waste Collection
Special Promotional Programs
Water
Wastewater

We further recommend that specific hearing times are scheduled for all non-Mayoral departments to ensure sufficient budget oversight for these areas:

City Attorney
City Clerk
City Auditor
Independent Budget Analyst
Ethics Commission

We recommend that other City administrative and support departments, as well as significant City-wide issues (pension, reserves, deferred maintenance, contracts, OneSD, CIP) be scheduled during the time remaining if: 1) requested by a single member of the City Council; 2) recommended by the IBA as a result of their review; or 3) significant issues are raised by the public. It should be emphasized that, as in the past, the IBA will

be reviewing and reporting on the Mayor's entire budget proposal including all City departments and offices, as well as significant City-wide funding allocations. The IBA will raise issues to the Council through this report that we believe warrant further discussion or consideration of alternative proposals. It should also be noted that SEDC, CCDC, the Redevelopment Agency and the Housing Commission are scheduled for separate budget reviews at the City Council meeting on Tuesday, May 12.

BUDGET HEARING EXPECTATIONS

Finally, we would suggest that for the hearings departmental staff be requested to focus heavily on how the Mayor's budget proposal will directly impact service delivery, program operations and performance measures in their areas of responsibility. It is requested that all Department Directors and assigned Assistant/Deputy Chief Operating Officers attend their respective budget hearing(s) and succinctly address the following:

1. Performance measurement data for FY 2008 (actual), FY 2009 (budgeted and revised) and FY 2010 (projected per the budget proposal).
2. Significant changes to programs, services, positions from FY 2009 to proposed FY 2010:
 - a. Are there reductions proposed to services or programs and what are the impacts?
 - b. Are there program additions or enhancements, new facilities, increased staffing?
3. Where applicable, status of projects/goals completed compared to FY 2009 budget assumptions for significant areas such as deferred maintenance, land sales, ADA projects, One SD, debt financings and targets for FY 2010.
4. Implementation status of approved BPR's, status of BPR's completed but not yet approved by Council, status of BPR's still underway.
5. Major restructurings or reorganizations impacting the budget.
6. Significant challenges facing the department.

This report is provided for discussion purposes to learn the Committee's preferences for structuring FY 2010 budget hearings, as well as to solicit input from the public. We look forward to receiving feedback on the proposed approach and moving forward accordingly.

[SIGNED]

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